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APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF THE GOVERNMENT OF BURMA

Establishment of a Pilot Plant for Pulp and Paper Research and Training on Tropical Raw Materials at the Central Research Organization (BUR/77/004)

Report of the Administrator*

Date of present approval:	November 1978
Starting date of project activities:	November 1977 (Including previous assistance)
Planned completion date:	August 1981
To be executed by:	United Nations Industrial Development Organization (UNIDO)
Government implementing agency:	Central Research Organization (Ministry of Industry II)
Estimated cost of assistance planned under present approval:	$1 983 600
Source of UNDP financing:	Indicative Planning Figure (IPF)

I. Background

1. With 57 per cent of its 260,000 square miles under forest, Burma has very rich resources for the pulp and paper industry. There are three main areas where bamboo forests are easily accessible and offer a long-fibre potential of 3,500 tons of chemical pulp per day; it is planned to base new mills mainly on such bamboo and wood fibres. There are more than 30 different species of bamboo and therefore there is no danger of gregarious flowering destroying the raw material basis for these mills.

*In accordance with General Assembly resolution 2688 (XXV) and subsequent authorizations of the UNDP Governing Council, reports are issued seriatim on the approval of UNDP assistance of $250,000 or more (including, if any, assistance financed by Government or third-party cost sharing).

2. Another important source of fibre resources are the mixed deciduous forests, which contain valuable stands of Burma's famous teak timber and the bulk of other important commercial hardwoods. Also to be found in this type of forest is the predominant tree specie known as IN (Dipterocarpus tuberculatus, Roxh), often growing in extensive stands mixed with other hardwood species. The total annual industrial wood potential of these forests is estimated at 2 million tons per year, of which IN hardwood alone could supply up to 450 tons per day for pulp manufacture.

3. The Government has sought to expand research on the utilization of indigenous bamboo and non-commercial tropical woods and fibrous mixtures. Accordingly, the Central Research Organization, formerly known as the Union of Burma Applied Research Institute (UBARI), in co-ordination with the Forest Department, started a research programme in 1967 on the feasibility of producing kraft pulp, hardwood and insulation board from Burmese tropical woods. The project is an extension of these earlier endeavours.

4. Project activities commenced under preparatory assistance in November 1977 when a joint Government/UNIDO mission undertook a review of equipment requirements for the proposed UNDP-financed project.

II. Objectives and activities

5. Considering the rich resource base mentioned above further development of the existing pulp and paper industry in Burma based on indigenous raw materials and the creation of new mills are of prime importance for the country. This should result in an increase in employment opportunities, a high return on capital invested, and a reduction of the foreign exchange requirements for imports. Accordingly, the immediate objectives for this project are to: (a) modernize the pulp and paper department at CRO; (b) establish and operate a pilot plant for pulp and paper (capacity 5 tons per day); (c) produce various types of papers which up to now have had to be imported; (d) train local personnel for the pilot plant; and (e) train engineers and operators for other pulp and paper mills.

III. Inputs

6. Under the assistance now approved UNDP will provide, through the Executing Agency, the services of a project co-ordinator, a pulp and paper engineer, a pulp research adviser and a refiner engineer; and fellowships in pulp and paper technology. Also to be furnished through the project will be a pilot pulp and paper plant with supporting laboratory, office and transportation equipment as well as spare parts and supplies.

7. To carry out the activities for which assistance is approved, the Government of Burma will make available: technical and managerial staff and construction workers; land and buildings to house the pilot plants, laboratories and offices; locally available expendable and non-expendable supplies and equipment to complement the machinery and equipment provided through international assistance.

IV. Financial data

8. The expenditure components of the planned assistance are as follows:

	Previously approved		Present approval		Total approved	
	m/m	$	m/m	$	m/m	$
International staff	2.5	16 600	55.5	276 800	58	293 400
Fellowships		4 900		64 700		69 600
Equipment		80 000		1 626 000		1 706 000
Miscellaneous		3 900		16 100		20 000
		105 400		1 983 600		2 089 000

9. The estimated total value, expressed in US dollars, of inputs provided directly by the Government to the project is $517,200 in kind.

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